

Message Text

CONFIDENTIAL

PAGE 01 PHNOM 04340 070730 Z

12

ACTION AID-59

INFO OCT-01 ADP-00 EA-04 IGA-02 INR-10 EB-05 CIAE-00

DODE-00 SS-07 PM-03 /091 W

----- 121922

R 070656 Z MAY 73

FM AMEMBASSY PHNOM PENH

TO SECSTATE WASHDC 1163

C O N F I D E N T I A L PHNOM PENH 4340

AIDAC

SUBJECT: POL STORAGE AND RELATED MATTERS

REFS: (A) STATE 079951; (B) STATE 032883; (C) PHNOM PENH 1310

1. DISAPPOINTINGLY LITTLE PROGRESS ON THE POL STORAGE SITUATION HAS BEEN MADE SINCE THE DISPATCH OF REF. C. TELA KHMER'S POOR FINANCIAL SITUATION INHIBITS WHATEVER INITIATIVE IT MIGHT OTHERWISE HAVE TO COME TO GRIPS WITH THE PROBLEM. EDC ALONE OWES TELA KHMER OVER 600 MILLION RIELS, SOME OF WHICH HAS BEEN UNPAID FOR SIX MONTHS. EDC'S CURRENT SITUATION IS AGGRAVATED BY THE FACT THAT SINCE FEBRUARY IT IS BEING BILLED AT SUBSTANTIALLY HIGHER PRICES FOR INDUSTRIAL DIESEL AND FUEL OIL EVEN THOUGH NO ADJUSTMENT HAS BEEN MADE IN ELECTRICITY RATES, (STILL UNCHANGED SINCE 1953).

2. EVEN THE HIGHTER PRICES DO NOT ENABLE TELA KHMER TO RECOVER OUT-OF-POCKET COSTS ON THESE TWO PRODUCTS, REVEALING ONCE AGAIN THE UNFORTUNATE APPROACH TAKEN TO POL PRICING IN FEBRUARY WHEN THE OLD SYSTEM OF POSITIVE AND NEGATIVE PEREQUATION TAXES WAS RETAINED. THE RESULT IS THAT BASICALLY TELA KHMER DOES NOT WANT TO BUY POL PRODUCTS OTHER THAN GASOLINE AND AUTO DIESEL BECAUSE THEY ARE THE ONLY ONES IT MAKES MONEY ON. NOTWITHSTANDING THIS, WE HAVE TOLD TELA KHMER IT MUST GIVE PRIORITY TO INDUSTRIAL DIESEL AND FUEL OIL, SINCE THEY ARE THE PRODUCTS MOST ESSENTIAL TO THE SURVIVAL OF PHNOM PENH.

3. WITH RESPECT TO THE REPAIR CONSTRUCTION OF PERMANENT STORAGE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PHNOM 04340 070730 Z

FACILITIES, ESSO HAS DONE PRACTICALLY NOTHING. TELA KHMER' S PROJECTS FOR NEW FACILITIES OR FOR LEASING OR BUYING STORAGE BARGES ARE STALLED. IN VIEW OF THESE CIRCUMSTANCES, WE PROPOSE TO INFORM TELA KHMER THAT WE ARE WILLING TO FINANCE AT LEAST THE RENTAL OF TWO BARGES OF ABOUT 400-500 CM CAPACITY. THESE TWO BARGES WILL INCREASE THE TEMPORARY STORAGE CAPACITY TO 2200-2400 CM. THIS IS COMPOSED OF THE 800-1000 CM OF THESE TWO BARGES, PLUS 1400 CM OF THE PERMANENT STORAGE CAPACITY OF CALTEX. THIS ADDITIONAL STORAGE WILL BRING THE OVERALL STORAGE CAPACITY TO ABOUT 19,300-19,500 CM OR AN EQUIVALENT OF ABOUT 18 DAYS SUPPLY OR 2 CONVOYS. PLEASE ADVISE.
GDS
SWANK

CONFIDENTIAL
NMAFVVZCZ

*** Current Handling Restrictions *** n/a
*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973PHNOM04340
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS SWANK
Errors: n/a
Film Number: n/a
From: PHNOM PENH
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730537/aaaahxrw.tel
Line Count: 76
Locator: TEXT ON-LINE
Office: ACTION AID
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 STATE 79951, 73 STATE 32883, 73 PHNOM PENH 1310
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 20 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20-Nov-2001 by cunninfx>; APPROVED <14-Dec-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 971211
Subject: POL STORAGE AND RELATED MATTERS
TAGS: EAID, CB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005